

EQ Positive Impact Balanced

Model Portfolio Factsheet

FOR FINANCIAL ADVISERS & CLIENTS

Sep 2023

Invest to solve social and environmental problems.

Company Description

EQ Investors is an award-winning discretionary fund manager focused on sustainable and impact investing. Proud to be a Certified B Corporation (B Corp), we firmly believe investors can achieve their goals while doing good for people and the planet.

Key Facts

Factsheet Date	30/09/2023
Launch Date	30/09/2013
Portfolio Yield (indicative)	1.51%
EQ Management Charge	0.29%
Underlying fund MiFID II Charges**	
Ongoing	0.48%
Transactional	0.19%
Incidental	0.00%
Total	0.67%

Source: EQ, Morningstar

Investment Team



Damien Lardoux, CFA
Portfolio Manager
Head of Impact Investing



Tertius Bonnin
Assistant Portfolio Manager
Investment Analyst



Louisiana Salge
Head of Sustainability

Awards



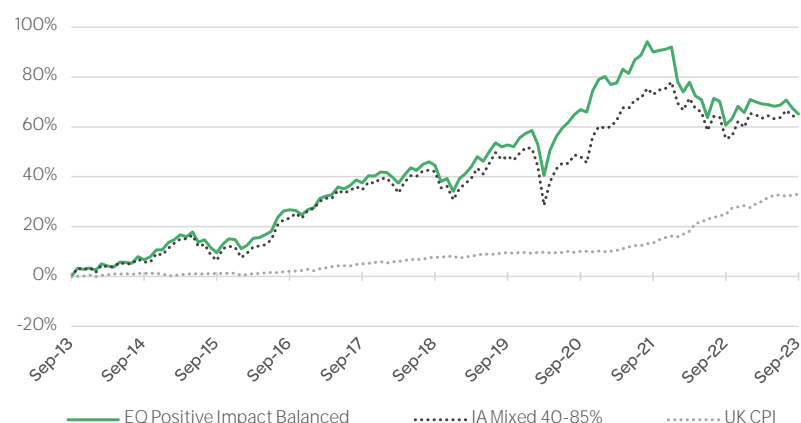
Platform Availability

7IM, abrdn Wrap, Advance, Aegon, Aegon ARC, AJ Bell, Aviva, Embark, Fundment, Funds Network, Fusion Wealth, Hubwise, M&G Wealth, Morningstar, Novia, Nucleus, Parmenion, Quilter, Transact and True Potential.

Portfolio Objective

The Positive Impact portfolios have been designed with a dual mandate, to maximise financial returns and to deliver a positive impact on both society and the environment. Our positive impact approach naturally avoids controversial sectors. Indeed, it favours those companies whose products and services are providing solutions to the world's major challenges. This Balanced portfolio is diversified across a mix of equities, fixed income, infrastructure and cash.

Portfolio Performance*



Cumulative Performance (%)	3M	6M	1Y	3Y	5Y	Since launch
EQ Positive Impact Balanced	-2.07	-2.37	2.76	-1.05	14.27	65.17
IA Mixed 40-85%	-0.21	-0.04	5.27	10.30	15.01	63.39
UK CPI	0.22	2.27	6.49	20.85	23.58	33.03

Discrete Performance (%)	Oct 22 Sep 23	Oct 21 Sep 22	Oct 20 Sep 21	Oct 19 Sep 20	Oct 18 Sep 19
EQ Positive Impact Balanced	2.76	-15.40	13.82	9.27	5.69
IA Mixed 40-85%	5.27	-10.27	16.76	-0.05	4.33
UK CPI	6.49	10.10	3.08	0.53	1.71

Volatility (%)	1Y	3Y	5Y	Since launch
EQ Positive Impact Balanced	5.80	9.19	9.93	8.12
IA Mixed 40-85%	6.00	8.71	10.36	8.60
UK CPI	2.43	2.08	1.89	1.60

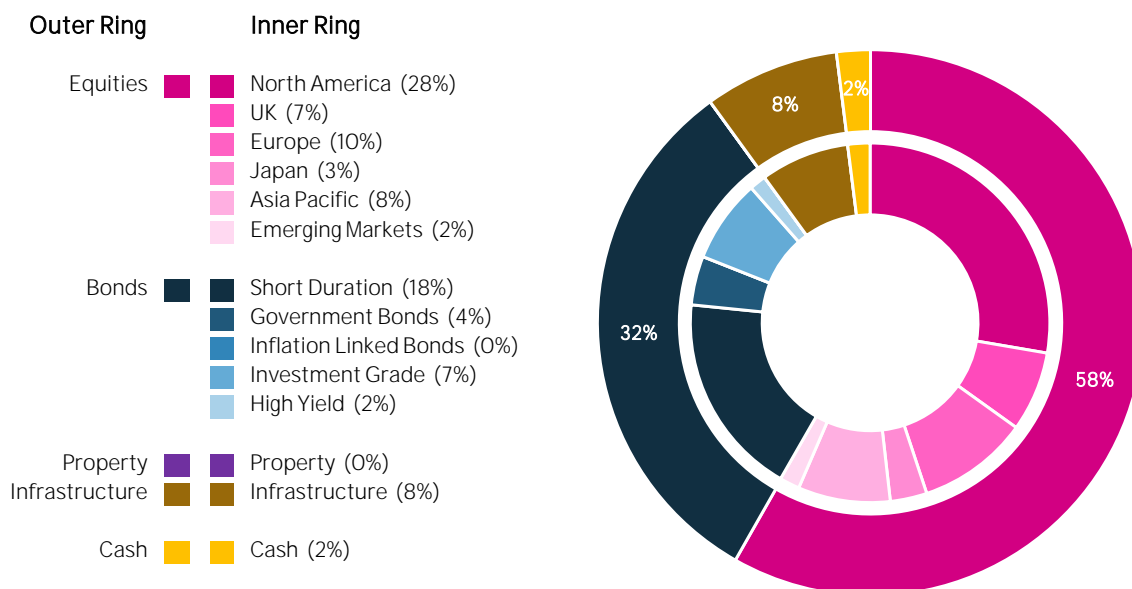
DFM Risk Profiler



Past performance is not a reliable indicator of future performance. All performance is shown in sterling, net of EQ's management fee (0.29%) and underlying fund charges. It does not include platform or adviser fees. Investment Association (IA) is a universe index comprising multi asset funds that has a set equity exposure range. Source: EQ, Morningstar.

Asset Allocation

The chart below shows the short-term asset allocations of the portfolio. Percentages are subject to rounding.



Top fund holdings (1-5)

Top fund holdings (1-5)	Weighting
Wellington Global Impact Bond	8.8%
Schroder Global Sustainable Value	8.0%
Janus Henderson US Sustainable Equity	7.5%
EdenTree R&S Short Dated Bond	7.5%
CT UK Social Bond	6.0%

Top fund holdings (6-10)

Top fund holdings (6-10)	Weighting
CT Sustainable Global Equity Income	5.5%
Regnan Sustainable Water and Waste	5.5%
Impax Environmental Leaders	5.5%
FP Foresight UK Infrastructure Income	4.3%
AXA ACT Green Bond Short Duration	4.0%

Top 10 underlying companies

Top 10 underlying companies	Description	Weighting
Taiwan Semiconductor Manufacturing	⑨ Leader in semiconductors manufacturing, key enabler to climate transition	0.9%
Microsoft	⑨ Cloud infrastructure, developer of soft and hardware technology solutions	0.8%
Waste Management	⑫ Waste management solutions, recycling, e-cycling and waste conversion	0.8%
Greencoat UK Wind	⑦ Renewable infrastructure fund of UK wind farms	0.7%
Xylem	⑥ Innovative water solutions including monitoring, testing and treatment	0.7%
Schneider Electric	⑨ Provider of sustainable energy and efficiency technology	0.7%
Renewables Infrastructure Group	⑦ Renewable wind farms and solar parks for a net zero carbon future	0.7%
Orsted	⑦ Develops, constructs, and operates offshore wind farms	0.7%
TE Connectivity	⑨ Produces electronic components, network solutions, and specialty products	0.7%
ANSYS	⑨ Develops and markets Computer Aided Engineering simulation software	0.6%

The top 10 underlying equity holdings represent the top 10 equity exposures held in an aggregated list of each funds' underlying holdings in the portfolio. Multiple issues of a single company are aggregated in this list. Icons represent the overall company alignment to the UN Sustainable Development Goals. To produce this data, we use a snapshot of the funds held at the last rebalance.

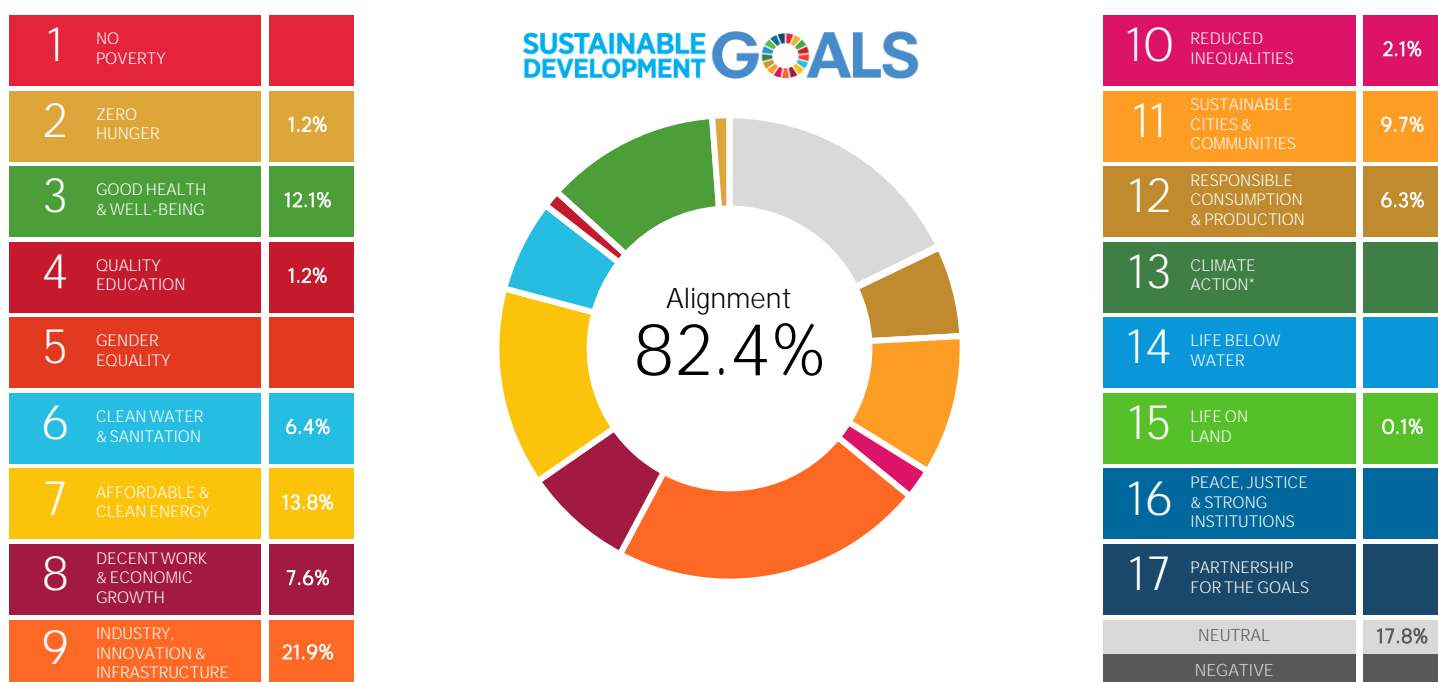
UN Sustainable Development Goals: A framework for impact

The 17 UN Sustainable Development Goals ("Global Goals") describe the world's greatest social and environmental challenges. These have been agreed as the global call to action by over 190 countries around the world. We use the Global Goals as our framework for impact, positively selecting investments that contribute to solutions to these diverse unmet needs, while excluding investments that harm progress on the goals.

Some Global Goals can be tackled by a company's core products and services; here we invest in funds positively selecting companies providing these solutions. Other Global Goals are more directly targeted through companies' operations; here we expect funds to select responsibly run companies driving positive change through their management. Our approach aims to positively impact non-investable goals through engagement on the operations of the company.

To download a copy, please visit <https://eqinvestors.co.uk/advisers/blog/positive-impact-report-2021/>

Portfolio alignment with the UN Sustainable Development Goals



Global Goals with no figure indicate the portfolio has 0% exposure; this is because either the Global Goal presents few investable opportunities, or companies within the portfolio provide exposure to multiple goals and the most relevant goal has been selected. *The Climate Action goal overlaps with more specific goals, so we have instead mapped our exposure to these.

To produce this data, we use a snapshot of the funds held at the last rebalance. Underlying fund holdings are updated on an annual basis in July. New funds added to the portfolio use the latest holding data available at the time. Percentages may not add up to 100% as they are rounded to the nearest decimal. Portfolio data may differ depending on the platform used.

Portfolio impact comparison to Global Equities & UK Equities

EQ Positive Impact Balanced



Global Equities



UK Equities

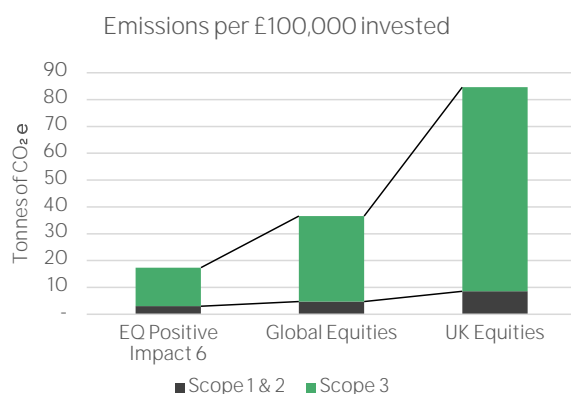


■ Sustainable Development Goal Alignment ■ Neutral Impact ■ Negative Impact

To calculate the alignment for 'Global Equities' and 'UK Equities', we use data from ETFs tracking the performance of MSCI ACWI and FTSE 100, respectively.



Carbon Footprint



Data source: MSCI, Analysis: EQ Investors, data as at the last rebalance.

% reduction in carbon emissions vs UK Equities

-79.4%

£100,000 GBP invested in the EQ Positive Impact Balanced portfolio implied an annual emissions reduction of 67 tons of carbon dioxide equivalent, compared to investing the same amount into UK Equities. The difference in reduction is equivalent to the annual emissions of:

- 15 average passenger cars driven within one year;
- 17 UK household's energy use within one year; or
- 7.6 thousand gallons of gasoline burned.

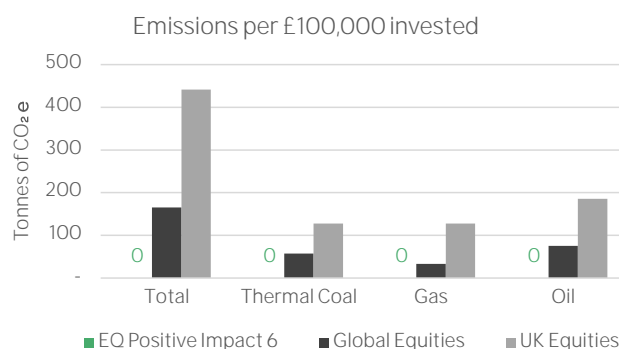
Climate Change Scenarios

Climate change's current path is still uncertain, and depends on how fast the global economy responds to the challenge to cut global carbon emissions - which are the main driver of global climate change. It is therefore relevant to understand whether the companies within a portfolio are aligned to a desirable emission reduction pathway for us. Climate scientists and global leaders have agreed that limiting global temperature rise to 1.5°C is the most desirable and yet realistic scenario.

Potential Emissions from Fossil Fuel Reserves

Currently, only 20% of the Earth's existing fossil fuel reserves can be burned while limiting global warming to the 1.5 degrees target by 2050, making the rest un-usable. To compare fuel reserves, we express potential emissions to greenhouse gas emissions as tons of CO₂.

Certain fuels such as thermal coal, oil sands, shale oil/gas have a higher carbon content than other types. In addition to carbon intensity, extraction can be costly and climate unfriendly because of geological, technical and environmental challenges.



Data source: MSCI, Analysis: EQ Investors, data as at the last rebalance.

To calculate the alignment for 'Global Equities' and 'UK Equities', we use data from ETFs tracking the performance of MSCI ACWI and FTSE 100, respectively.

We use an industry standard methodology, which lets us associate the tonnes of CO₂ equivalent emitted per 1m GBP invested, scaled down to 100,000 GBP invested. We use the "Financed carbon emissions method", using Enterprise Value including Cash (EVIC) as recommended in the PCAF carbon accounting standard¹. We only focus on the equity portion of the portfolio to enable comparability with a standard market index, and include direct and indirect carbon emissions from the businesses (Scope 1, 2 and 3 as defined by the greenhouse gas protocol)².

¹ For more information, please visit <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>.

² For more information, please visit <https://ghgprotocol.org/calculation-tools>.

This factsheet constitutes neither an offer, solicitation, nor investment advice to buy or sell any security or any other investment or product. It should not be reproduced or distributed in any format without EQ's prior written consent. The information in this factsheet is for illustrative purposes only and while believed to be correct, no representation or warranty, expressed or implied, is given as to its accuracy or completeness. Percentages may not add up to 100% as they are rounded to the nearest percent. EQ Investors Limited ("EQ"), its partners and employees accept no liability for the consequences of you or your advisers acting upon the information contained herein. The Portfolio aims to rebalance quarterly during Feb, May, Aug and Nov, but is not limited to these dates.

*The value of investments and income derived from them may fluctuate and investors may not get back the amount originally invested. The performance of portfolios linked to this model may differ from the model itself, due to the variation in timing of the initial and subsequent investments. This portfolio is not suitable for all investors: investments may only be undertaken based on a recommendation from a financial adviser.

**The MIFID II Ex-Ante charges are forward looking estimates based on the previous fiscal year's information and may vary year to year. 'Ongoing Costs' include adviser, administration, custodian, legal and other fees that typically do not vary year to year. 'Transaction Costs' include the costs of buying or selling assets for the fund. 'Incidental Costs' include performance fees. For newly launched funds that do not have historical data available, the Ex-Ante figure is estimated. The fund charges shown are based on the share classes available on the Pershing platform; charges may vary across platforms based on share class availability.